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THE WHITE HOUSE

WASHINGTON

May 13, 1957

Dear Mr. Jones:

Thank you for letting us review the latest draft bill "To amend the Central Intelligence Agency Act of 1949." Since we have previously commented at length on Central Intelligence Agency's proposals and many of the provisions of the current draft are in line with our suggestions, we are confining our present comments to Sec. 5 which covers special retirement provisions for their employees.

As indicated in our letter of February 15, 1957, this office does not approve the provision to grant extra service credits under the conditions specified. CIA states that such extra service credits, at the rate of one year of extra credit for every four years served abroad or fraction thereof, would result in annuities for employees retiring under this section nearly equal to those granted to Foreign Service Officers. However, according to our calculation, it would appear that when an employee has completed eight years or more of service overseas, his annuity would be progressively higher, depending upon the total amount of time served abroad, than that payable to Foreign Service Officers. We consider this undesirable since it would create a further distinction among employees serving overseas and provide a premium for service with one particular agency, whereas the objective of this Administration is to achieve a greater degree of consistency.

As you know, this office has long felt that special consideration should be given to civilian employees of the Government who have served for long periods in foreign countries and who in effect have made a career of service overseas. It has been our thought that certain provisions now available to Foreign Service Officers should be extended to such individuals. For example, for employees who have completed ten or more years of civilian service in foreign countries, it would seem reasonable to apply the two per cent rate in computing their annuities, and further, to permit them to retire on full annuities in the event of involuntary separation, not for cause, at age 50 with 20 or more years of creditable service including 10 years of civilian service in foreign countries.

If Central Intelligence Agency were to submit a proposal along these lines, including a provision covering voluntary retirement at age 50 with 20 years total service, of which not less than 10 years

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covers civilian service in foreign areas, including 5 years overseas service for CIA, and authorizing retirement at full annuity computed at the 2% rate, subject to approval of such retirement by the CIA Director, this office would not object thereto. Such a proposal would be more nearly in line with the provisions of the Foreign Service Retirement System, and would lend itself to possible extension at some future date to employees of other agencies who have served long periods in foreign areas.

Sincerely,

/s/ Harris Ellsworth

Harris Ellsworth

Mr. Roger W. Jones
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